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U.S. BANKRUPTCY CT.
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Attorney for Debtor in Possession TESLA GRAY

UNITED STATES BANKRUPTCY COURT
SOUTHERN DISTRICT OF CALIFORNIA

In re:

TESLA GRAY,

Debtor-in-Possession,

Case No.:08-10753-LA11

DECLARATION OF TESLA GRAY IN
SUPPORT OF DEBTOR'S OPPOSITION TO
UNITED STATES TRUSTEE'S MOTION
TO CONVERT OR IN THE ALTERNATIVE
APPOINT A CHAPTER 11 TRUSTEE

Date: December 10, 2009

Time: 2:00 p.m.

Dept.: 2

Room: 218

Hon. Louise Adler

Tesla Gray, the Debtor in Possession, declares:

1. I am a hair stylist and a real estate investor. My real estate portfolio is managed by my father with my participation and consent. As reflected in the Schedules and Statement of Financial Affairs I assisted in preparing, read and signed, I own 8 real properties which my father estimates are worth almost \$30 million. I also have receivables from real estate investments which are valued at nearly \$34 million.

2. I entered into a contract with SunCal Companies to sell my Harmony Grove property. Under that contract, SunCal made payments to me which initially were \$65,000.00 per month. SunCal stopped making monthly payments to me in December 2007. That caused my current financial problems.

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4. I also attended a meeting with the United States Trustee's Office. My father went with me. I fully disclosed at that meeting that my father manages my real estate portfolio, and is the best and most qualified person to answer questions and provide information about my real estate investments. He and my mother put together most of the documents and information which the UST's Office asked me to provide.

5. I attended the 341(a) meetings on August 18, 2009, and on September 22, 2009. My father also attended both meetings and, at the first meeting, offered to answer questions as the person with the most knowledge about my financial dealings. The UST declined to allow him to do so.

6. I have reviewed, signed and filed monthly Operating Reports in this case. They were mostly prepared by my parents since they keep the books and records regarding the my real estate holdings. I provided information regarding my activities as a hair stylist.

7. The above is of my personal knowledge, and I could and would so testify if called as a witness.

Signed on November 18, 2009, at San Diego, California.

Signed on November 18, 2009, at San Diego, California.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct.

Tesla Gray